

June 18, 2004

**MEMORANDUM**

**TO:** Constitutional Officers and Regional Jail Superintendents

**FROM:** Bruce W. Haynes  
Executive Secretary

**SUBJECT:** Overview of Compensation Board Approved FY05 Budgets

Approved Compensation Board FY05 budgets are currently available in SNIP and copies were mailed on June 18.

Attached is an overview of key funding items included in the Compensation Board's approved FY05 Budgets, as well as FY05 Budget Priorities and Policies.

Please review the attached along with the Compensation Board's FY05 Operating Manual available on our website ([www.scb.virginia.gov](http://www.scb.virginia.gov)), and let your Compensation Board Technician know if you have any questions.

Attachment

c: Honorable Sandra D. Bowen, Secretary of Administration  
Compensation Board Members and Staff  
Michael Maul, Department of Planning and Budget  
John Crooks, Department of Planning and Budget  
John Jones, Virginia Sheriffs' Association  
Susan Goldsticker, Commonwealth's Attorneys' Services Council  
Michael Amyx, Virginia Municipal League  
James D. Campbell, Virginia Association of Counties  
City Managers and County Administrators

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## **OVERVIEW OF COMPENSATION BOARD FY05 BUDGET PRIORITIES AND POLICIES**

- **Salary Increases:** The 2004 General Assembly has provided for a 3% salary increase effective December 1, 2004 for all constitutional officers and their employees, with the exception of Sheriffs, Regional Jail Superintendents and sworn deputies in their offices, who will receive a 4.82% increase effective December 1, 2004. Other non-sworn positions in Sheriffs offices and regional jails will receive a 3% increase. This will be an across the board salary increase for all Compensation Board funded permanent positions. No performance-based pay increases have been provided. Funding for these increases is in addition to the base salaries approved on June 18, 2004, and the increased salary amounts will be reflected in the reimbursement system in December.
- **Annual Leave:** The annual leave payoff reimbursement was eliminated in FY04 and not reinstated.
- **Training Events:** Additional allowance funding is not available for the reimbursement of attendance at non-Compensation Board-sponsored training events, such as VALECO, LGOC, and the Association's annual meeting. However, attendance at these events is considered a reimbursable expense if funds are available in your budget. All Officers will continue to be reimbursed for the approved travel-related expenses associated with attending Compensation Board-sponsored training events such as Lawful Employment and New Officer training.
- **Transfer Policy:** The existing policy restricting transfer of accumulated vacancy funds in Sheriffs Offices and Regional Jails will be continued in FY05. For all other constitutional officers, vacancy savings are not being used by the Compensation Board to meet budget reductions, consequently, you will be able to use accrued vacancy savings to offset your individual office budget reductions.
- **Maximum Rank:** Due to budget reductions, additional funding will not be available in FY05 to fund maximum rank reclassifications to offices that do not currently have maximum rank.
- **Equipment Funding:** No funding has been provided for equipment for any Commonwealth's Attorneys, Treasurers or Commissioners of the Revenue. For Sheriffs and Regional Jails, no funding will be provided for any equipment except some approved requests for Livescan (Clerks' Technology Trust Funds are not a part of your base budget funds and are handled separately in the late summer to early fall).
- **Partial Restoration of Commonwealth's Attorneys' Budget Reductions:** At the June 16 "Veto" Session, the General Assembly approved an additional \$552,500 in FY05 and \$1,105,000 in FY06 to partially restore Commonwealth's Attorneys' budget reductions. At the request of the Virginia Association of Commonwealth's Attorneys (VACA), the Compensation Board has amended Commonwealth's Attorneys' FY05 budgets to add the pro-rata share of the FY05 amount back to each Commonwealth's Attorney's budget based upon the amount of their FY04 Compensation Board budget reduction. The additional amount has been provided in the Commonwealth's Attorneys' office expense budget line item; Commonwealth's Attorneys may transfer these funds to

other areas of their budgets as they deem appropriate, per the transfer policies referenced herein. Further information is forthcoming regarding a one-month period during which transfers of these funds to other line items should be initiated.

- **Prosecution of Gang Related Criminal Activities:** At the June 16 “Veto” Session, the General Assembly approved an additional \$395,165 in FY05 and \$389,165 in FY06 for the Compensation Board to provide five (5) additional positions necessary to prosecute gang related activities in Fairfax, Loudoun, Prince William and Arlington Counties and the City of Alexandria. The Compensation Board will be meeting with the Commonwealth’s Attorneys of these jurisdictions to provide this funding as soon as possible after July 1.
- **Career Prosecutor Program:** No additional funding for the Commonwealth’s Attorneys’ Career Prosecutor program is available. Any office that had positions classified as career prosecutors at the end of FY02 will retain funding for those positions, but there is no further funding available for the career prosecutor program for any positions that had not been classified as career prosecutor as of May 1, 2002. Any office wishing to have positions reclassified to career prosecutor in the future will need to follow a procedure to opt-in to the program, and additional funds will need to be requested for appropriation to the Compensation Board by the General Assembly. **To opt into the program, submit the Career Prosecutor form to the Compensation Board by July 1 of each year for approval of funding for the program the following July 1 (i.e. offices without funding for Career Prosecutors should submit the opt-in form by July 1, 2004 to request participation and funding effective July 1, 2005).**
- **Appeals Moratorium:** The General Assembly has continued language in the Appropriation Act providing for a moratorium on appeals from constitutional officers against budgets set by the Compensation Board. This moratorium extends through FY05.
- **New Positions:** The 2004 Appropriation Act includes positions and funding for staffing of the jail expansion in Virginia Beach and staffing the new Southwest Regional Jail, totaling \$2.5 million and 230 positions in FY05. It also includes funding for 26 new law enforcement deputies to comply with 1:1500, and 48 emergency corrections officer positions to address security needs in the most severely overcrowded jails.
- **Jail Per Diem Payments:** The 2004 Appropriation Act restores \$13.2 million of the FY04 reduction to funding for the payment of jail per diems in FY05, but does not include funding for anticipated growth based on inmate population forecasts, estimated to be approximately \$6 million in FY05. If funding is not sufficient to make fourth quarter per diem payments based on inmate growth over FY05, funds will be prorated to the extent to which they are available. We anticipate that the combined affect of these changes may result in a shortfall of approximately 33% of the FY05 fourth quarter payment, if growth is not addressed in the 2005 session of the General Assembly.
- **Technology Trust Funds:** Appropriation Act language provides for the continued use of \$1.49 million of Technology Trust Funds (TTF) in FY05 to offset general fund budget reductions. As requested by the Virginia Court Clerks Association (VCCA) in FY04, the Compensation Board has continued the offset budget reductions by this amount.

The Appropriation Act also includes a transfer of \$231,393 of TTF to the General Fund in FY05.

- **Clerks' Audit Issues:** The Appropriation Act includes language that links General Assembly approved salary increases for Circuit Court Clerks to audit performance. Any circuit court clerk who does not correct an internal control matter identified by the Auditor of Public Accounts by the immediately subsequent audit report shall not receive a salary increase.
- **Career Development Programs:** Language and funding were provided in the Appropriation Act for the implementation of a deputy Treasurers Career Development Program. The language provides for development of the plan in FY05, and implementation of the plan in FY06, including the associated 9.3% salary increases effective December 1, 2005. Details regarding implementation of the plan will be provided this year, and certification on next year's budget request submission will be required for participation.

Language and funding were provided in the Appropriation Act for the implementation of a Commissioners of the Revenue Career Development Program, and for a deputy Commissioners of the Revenue Career Development Program. The language provides for development of both plans in FY05, and implementation of the plans in FY05 and FY06, as follows: Commissioners of the Revenue program would be implemented in FY05, with associated salary increases of 4.7% to 9.3% effective December 1, 2004; Deputy Commissioners of the Revenue program would be implemented in FY06, including the associated 9.3% salary increases effective December 1, 2005. Details regarding implementation of both plans will be provided this year, and certification on next year's budget request submission will be required for participation in both plans.

- **June Payroll Shift:** Based upon action by the 2002 Session of the General Assembly, the Compensation Board's reimbursement cycle for fiscal year payroll and expenses has permanently changed. While the Compensation Board has always reimbursed expenditures one month in arrears, prior to FY02 it included an accelerated schedule in June to reimburse both May and June expenditures prior to the end of the fiscal year. In FY02, localities did not receive a reimbursement for June expenditures. Instead, June 2002 expenditures were reimbursed in the month of July 2002, or the beginning of FY03. Beginning in FY03 and for every year thereafter, localities have received reimbursements for the months of June through May. In FY05, this reimbursement schedule has remained the same, with localities receiving reimbursement payments for the months of June 2004 through May 2005 in the months of July through June. This has not changed the budget cycle for the fiscal year, however, which is still established on a fiscal year cycle, beginning July 1 and ending June 30. Because of this change, officers should keep in mind that expenditures in the month of June of each year will be reimbursed out of budgeted funds available for the following fiscal year.

#### **Transfer Policy, FY05**

- ♦ No Transfers or other use of any accrued vacancy savings for Sheriffs and Regional Jails:

- Exception – one time approval of full salary amount transferred from permanent salaries to other budget category for yearlong vacancy. **Sheriffs and Superintendents who wish to leave permanent positions vacant for the entire fiscal year and transfer the funds to other budget areas should submit their requests to the Compensation Board not later than July 1 for Compensation Board action on July 21.**
  - Exception – transfer of remaining salary funds will be approved for positions held vacant under the position reallocation policy
  - Exception – transfer of remaining salary funds will be approved for positions which become vacant as a result of the incumbent being called to active military duty.
- ◆ Turnover funds can be used by ALL offices as follows:
- Restoration to prior base salary amount for employees with salaries reduced due to across-the-board budget reductions
  - Salary increases in accordance with Compensation Board policy and delegation of classification authority
  - Base transfer to Office Expenses
  - Base transfer to Temporary
    - Exception – no base transfers to Temporary for Clerks, Treasurers, Commissioners of the Revenue with positions in excess of staffing standards (one-time transfers only)
- ◆ Base transfers allowed between Office Expense and Temporary (requires Compensation Board action)
- Exception – no base transfers from Temporary for Clerks, Treasurers, Commissioners of the Revenue due positions based on staffing standards (one-time transfers only)
  - Exception – no base transfers to Temporary for Clerks, Treasurers, Commissioners of the Revenue with positions in excess of staffing standards (one-time transfers only)
- ◆ One-time transfers allowed from Temporary or Office Expenses to Equipment not to exceed \$10,000 per month (not in the base)
- ◆ One-time transfers allowed from Temporary to Office Expenses not to exceed \$10,000 per month (not in the base)
- ◆ One-time transfers allowed from Office Expenses to Temporary not to exceed \$10,000 per month (not in the base)

#### Requests for Additional Compensation Board Funding

- ◆ Requests for additional funding in any budget category have little chance of approval.

#### Exceptions

- ◆ The Compensation Board will consider exceptions to these policies upon written request of Constitutional Officers or Jail Superintendents.

### Additional Information

- ◆ Additional information regarding FY05 budget policies may be obtained from the Compensation Board's FY05 Operating Manual under Policies and Procedures on the Compensation Board website, [www.scb.virginia.gov](http://www.scb.virginia.gov), or by calling or emailing Compensation Board staff:

Sheriffs and Regional Jails – Rick Burkett (804) 786-0786 x 208 –  
[rick.burkett@scb.virginia.gov](mailto:rick.burkett@scb.virginia.gov) and Sue Kelly-Graham (804) 786-0786 x 220 –  
[sue.kelly-graham@scb.virginia.gov](mailto:sue.kelly-graham@scb.virginia.gov)

Commissioners of the Revenue, Treasurers and Finance Directors, Commonwealth's Attorneys and Clerks – Paige Curtis (804) 786-0786 x 217 –  
[paige.curtis@scb.virginia.gov](mailto:paige.curtis@scb.virginia.gov) and Charlene Rollins (804) 786-0786 x 206 –  
[charlene.rollins@scb.virginia.gov](mailto:charlene.rollins@scb.virginia.gov)

Clerks' Technology Trust Funds – Lisa Carson (804) 786-0786 x 202 –  
[lisa.carson@scb.virginia.gov](mailto:lisa.carson@scb.virginia.gov) or Richard Lampman (804) 786-0786 x 215 –  
[richard.lampman@scb.virginia.gov](mailto:richard.lampman@scb.virginia.gov)